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Agenda Item 4b

August 16, 2011

TO: MEMBERS OF THE HEALTH BENEFITS COMMITTEE

- I. **SUBJECT:** Partnership for Change Update
- II. **PROGRAM:** Benefit Programs Policy and Planning
- III. **RECOMMENDATION:** Information
- IV. **ANALYSIS:**

The CalPERS Board of Administration (CalPERS Board) approved the Partnership for Change Initiative in 2005 to promote value in hospital care, help moderate costs, and create a standardized "report card" on hospital quality to meet the needs of stakeholders. Partnership for Change includes two components: California Hospital Assessment and Reporting Taskforce (CHART) and the Hospital Value Initiative (HVI). CalPERS, in partnership with Pacific Business Group on Health (PBGH) and the California Health Care Coalition (CHCC), sponsored the Partnership for Change Initiative.

CHART publicly reports on California's hospital clinical quality and patient experience measures and has been led for the last seven years by the University of California, San Francisco (UCSF), and the California HealthCare Foundation (CHCF). HVI is a cost efficiency program that seeks to improve transparency in the California health care marketplace.

This agenda item provides an update on CHART and HVI.

California Hospital Assessment and Reporting Taskforce

CHART Hospital Performance Measures

The CHART Board of Directors (CHART Board) is working with stakeholders to improve reporting and address hospital participant concerns related to the increasing administrative burden of multiple state and federal reporting requirements. As of April 2011, CHART discontinued Intensive Care Unit (ICU) process measures including Deep Vein Thrombosis (DVT) Prophylaxis, Stress Peptic Ulcer Prophylaxis, and Ventilator-Associated Pneumonia (VAP) Prophylaxis. The CHART Board, after consulting with all stakeholders, agreed that ICU mortality is a better measure for tracking hospital ICU performance instead of ICU process measures and will continue to collect mortality measures.

In addition, hospital performance on the ICU process measures showed very high compliance, suggesting the measures could be retired provided that other measures such as mortality remain in place.

CHART 2011 Fiscal Status

As of May 2011, health plans and hospitals contributed approximately \$1.8 million in total direct public support to CHART. Contributions from hospitals total \$400,000 annually. Total contributions from health plans are approximately \$1.4 million annually. CHART received 100 percent of hospital contributions and 90 percent of health plan contributions for budget year 2011.

CHART New Board of Directors

As of June 2011, the CHART Board approved the following individuals for a three-year term:

- David Hopkins (PBGH)
- Tracy Skalar (Catholic Healthcare West)
- David Perrot (Salinas Valley Memorial Hospital)
- Lark Galloway-Gilliam (Community Health Councils)
- George Louie (HealthNet), and
- Dave Schweppe (Kaiser Permanente).

CHART Strategy Planning

On June 15, 2011, the CHART Board discussed the evolution of CHART with the CHART Strategic Planning Committee (Committee). Given national health care reform and the resulting changes to health care, including the additional reporting burden on stakeholders, the Board committed to clearly defining CHART's mission and vision. CHART will focus on how to add value for all stakeholders given the upcoming market changes.

The Committee also discussed with the CHART Board the feasibility of using additional electronic medical record data, augmenting CHART data to have an effective pay for performance plan, and the effects of adding measures that are meaningful to all stakeholders.

Hospital Value Initiative (HVI)

HVI discussions are ongoing between CalPERS, PBGH, CHCC, and the health plans on how to move this initiative forward. The group, generally, agrees that this effort has potential value, but the specific means to obtain and evaluate the data is a challenge. Specifically, many contracts between hospitals and health plans prohibit sharing data. On May 11, 2011, the CalPERS Board voted to support SB 751 (Gaines) which would prohibit the inclusion of gag clauses that would impede the sharing of cost data with plan members. This is an encouraging first step to improving transparency. CalPERS, PBGH, CHCC, and the health plans continue to discuss means to improve member engagement in cost containment.

V. STRATEGIC PLAN:

This agenda item supports CalPERS Strategic Goal XII: "Engage and influence the healthcare marketplace to provide medical care that optimizes quality, access, and cost."

VI. RESULTS/COSTS:

This is an information item only.

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